



Taking credit for "virtual wages"

The Supreme Court has said that, when calculating the disability benefit due to an injured worker, we must consider whether the worker **could be** doing another job, even at a lower pay. If so, the wage for that other job can be used to reduce the disability rate, even if the worker does not actually have that job.

The Appellate Commission has now specified how to determine the offset:

1. Does the injured worker still have any wage earning capacity.
2. Has the worker adequately searched for jobs within that capacity?
3. If not, the worker's benefits can be reduced to take account of what those jobs would have paid.

This is clearly a major change in how Michigan's worker's compensation program has worked. Until now, we could only take credit for wages **actually earned**. Now the courts are saying we can take credit for wages that the worker **could be earning**.

No doubt there will be more decisions to further clarify this matter in the near future.

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- Taking credit for "virtual wages"